

**Senate Bill No. 530**

(By Senators Yost, Ferns,  
Kessler, Snyder and Romano)

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[Introduced February 20, 2015;  
referred to the Committee on Finance.]

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A BILL to amend and reenact §11-21-12d of the Code of West Virginia, 1931, as amended, relating to continuing the personal income tax adjustment to the gross income of certain retirees receiving pensions from defined pension plans that terminated and are being paid a reduced maximum benefit guarantee.

*Be it enacted by the Legislature of West Virginia:*

That §11-21-12d of the Code of West Virginia, 1931, as amended, be amended and reenacted to read as follows:

**ARTICLE 21. PERSONAL INCOME TAX.**

**§11-21-12d. Additional modification reducing federal adjusted gross income.**

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1           In addition to amounts authorized to be subtracted from  
2 federal adjusted gross income pursuant to subsection (c), section  
3 twelve of this article, any person who retires under an  
4 employer-provided defined benefit pension plan that terminates  
5 prior to or after the retirement of that person and the pension plan  
6 is covered by a guarantor whose maximum benefit guarantee is less  
7 than the maximum benefit to which the retiree was entitled had the  
8 plan not terminated may subtract annually from his or her federal  
9 adjusted income a sum equal to the difference in the amount of the  
10 maximum annual pension benefit the person would have received  
11 for such tax year had the plan not terminated and the maximum  
12 annual pension benefit actually received from the guarantor under  
13 a benefit guarantee plan: *Provided*, That if the Tax Commissioner  
14 determines that this adjustment reduces the revenues of the state by  
15 \$2 million or more in any one year, then the Tax Commissioner  
16 shall reduce the percentage of the reduction to a level at which the  
17 commissioner believes will reduce the cost of the adjustment to  
18 \$2 million for the next year. This tax adjustment is effective for  
19 taxable years beginning on and after January 1, 2008: *Provided*,

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1 *however*, That for the taxable year 2007, the tax adjustment ~~shall be~~  
2 is effective and ~~shall apply~~ applies retroactively: *Provided further*,  
3 That the adjustment terminates for the tax years on and after  
4 January 1, ~~2015~~ 2018. This modification is available regardless of  
5 the type of return form filed.

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(NOTE: The purpose of this bill is to continue providing a personal income tax adjustment to the gross income of certain retirees receiving pensions from defined pension plans that terminated and are being paid a reduced maximum benefit guarantee.

Strike-throughs indicate language that would be stricken from the present law, and underscoring indicates new language that would be added.)